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Tuesday, 30 September 2008

**Boulder Steel Limited – Panel Receives Application**

The Takeovers Panel has received an application from Boulder Steel Limited in relation to its affairs. Boulder has an extraordinary general meeting scheduled to take place on 8 October 2008. The EGM was requisitioned on behalf of Falak Holding LLC (99% owned by Mr Abdul Rahman Falaknaz) under s249D seeking among other things the removal from the board of the Managing Director and Chief Executive Officer of Boulder, Dr Peter Wallner.

Boulder alleges that:

1. Fortis Bank, a beneficial holder of Boulder shares, has contravened s672B(1) of the Corporations Act by failing to respond to a beneficial tracing notice
2. Mr Mohammad Yousef Al Ali or his company Capital Trust Holding AG has contravened s671B(1) by failing to lodge a substantial holder notice recording the disposal of shares in Boulder some time after 1 July 2008
3. Mr Al Ali, Mr Falaknaz or their companies contravened s671B(1) by failing to lodge a substantial holder notice which notified Boulder that since at least 3 June 2008 they have been associates and
4. Mr Falaknaz or his company Falak Holding LLC contravened s606(4) by inviting an offer to sell shares in Boulder which, if accepted, would cause a contravention of s606(1).

Boulder submits that the above give rise to unacceptable circumstances in relation to the control over voting shares in Boulder.

Boulder seeks final orders including that:

- (a) Boulder shares beneficially held by Fortis Bank be vested in ASIC and disposed of, and in the meantime no voting rights in respect of those shares be exercised or taken into account
- (b) Mr Falaknaz and Mr Al Ali or their companies must not exercise any voting rights at general meetings of Boulder prior to 3 January 2010 in respect of more than 13.52% and 6.48% respectively of Boulder shares on issue<sup>1</sup> and

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<sup>1</sup> Subject to additional shares acquired by Mr Falaknaz interests at a rate of up to 2%, or by Mr Al Ali interests at a rate of 1% every 6 months, or any shares acquired by either under a takeover bid or scheme of arrangement

- (c) Mr Falaknaz and Mr Al Ali or their companies be restrained from acquiring a relevant interest in any further Boulder shares if such acquisitions would result in voting power that exceeds the voting restrictions in (b).

Boulder seeks interim orders that, if there is insufficient time for the Panel to consider the matter before the EGM on 8 October:

- (i) the Chairman of the EGM demand a poll in respect of each resolution to be put to members at the EGM and
- (ii) the result of each poll not be determined or declared until the conclusion of the Panel proceedings.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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